

**LIVESTOCK GROSS MARGIN (LGM)  
LIABILITY/PREMIUM CALCULATIONS**  
Edit Description

**Livestock Gross Margin (LGM)  
(Insurance Plan Code 82)**

**EXPECTED GROSS MARGIN**

$$\begin{aligned}
 \text{EXPECTED GROSS MARGIN} = & \text{(internal)} \quad \text{(field 18)} \quad \text{(field 24)} + \\
 & \text{(field 19)} \quad \text{(field 25)} \quad \text{(field 20)} + \\
 & \text{(field 26)} \quad \text{(field 21)} \quad \text{(field 27)} + \\
 & \text{(field 22)} \quad \text{(field 28)} \quad \text{(field 23)} + \\
 & \text{(field 29)}
 \end{aligned}$$

**GROSS MARGIN GUARANTEE (LIABILITY)**

$$\text{GROSS\_MARGIN\_GUAR} = \text{EXPECTED GROSS MARGIN} * \text{COVERAGE\_LEVEL}$$

(field 31)                      (internal)                      (field 30)

**SIMULATED LOSSES**

$$\begin{aligned}
 \text{SIMULATED GROSS MARGINS(i)} = & \text{(internal)} \quad \text{(field 18)} + \text{(SECOND MONTH GROSS MARGIN DRAW(i) *} \\
 & \text{(field 19)} + \text{(THIRD MONTH GROSS MARGIN DRAW(i) *} \\
 & \text{(field 20)} + \text{(FOURTH MONTH GROSS MARGIN DRAW(i) *} \\
 & \text{(field 21)} + \text{(FIFTH MONTH GROSS MARGIN DRAW(i) *} \\
 & \text{(field 22)} + \text{(SIXTH MONTH GROSS MARGIN DRAW(i) *} \\
 & \text{(field 23)}
 \end{aligned}$$

**Note: (i) = 1,2,..., 25000**



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Tag	No.	Picture	Rounding	Description
<TARGET_MARKET_1>	18	9(05)	whole number	Number of swine the insured expects to market in the first month of the insurance period (Feb. or Aug.).
<EXP_GROSS_MARGIN_1>	24	9999.9999	per ADM	Expected Gross Margin per swine for First Month from ADM L Suffix P.
<TARGET_MARKET_2>	19	9(05)	whole number	Number of swine the insured expects to market in the second month of the insurance period (Mar. or Sept.).
<EXP_GROSS_MARGIN_2>	25	9999.9999	per ADM	Expected Gross Margin per swine for Second Month from ADM L Suffix P.
<TARGET_MARKET_3>	20	9(05)	whole number	Number of swine the insured expects to market in the third month of the insurance period (Apr. or Oct.).
<EXP_GROSS_MARGIN_3>	26	9999.9999	per ADM	Expected Gross Margin per swine for Third Month from ADM L Suffix P.
<TARGET_MARKET_4>	21	9(05)	whole number	Number of swine the insured expects to market in the fourth month of the insurance period (May or Nov.).
<EXP_GROSS_MARGIN_4>	27	9999.9999	per ADM	Expected Gross Margin per swine for Fourth Month from ADM L Suffix P.
<TARGET_MARKET_5>	22	9(05)	whole number	Number of swine the insured expects to market in the fifth month of the insurance period (June or Dec.).
<EXP_GROSS_MARGIN_5>	28	9999.9999	per ADM	Expected Gross Margin per swine for Fifth Month from ADM L Suffix P.
<TARGET_MARKET_6>	23	9(05)	whole number	Number of swine the insured expects to market in the sixth month of the insurance period. (July or Jan.)
<EXP_GROSS_MARGIN_6>	29	9999.9999	per ADM	Expected Gross Margin per swine for Sixth Month from ADM L Suffix P.
<EXPECTED GROSS MARGIN>	internal	9(10).99	dollars and cents	Sum of (Target Marketings by month times Expected Gross Margins by month).
<COVERAGE_LEVEL>	30	9.999999	NA	Valid coverage Levels are 0.800000, 0.850000, 0.900000, 0.950000, 1.000000.

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<GROSS_MARGIN_GUAR>  (Liability)	31	9(10)	whole number	Expected Gross Margin times Coverage Level.
FIRST MONTH GROSS MARGIN DRAW(i)	Internal	999.999	per ADM	First Month Gross Margin Draw from ADM L Suffic C.
SECOND MONTH GROSS MARGIN DRAW(i)	Internal	999.999	per ADM	Second Month Gross Margin Draw from ADM L Suffic C.
THIRD MONTH GROSS MARGIN DRAW(i)	Internal	999.999	per ADM	Third Month Gross Margin Draw from ADM L Suffic C.
FOURTH MONTH GROSS MARGIN DRAW(i)	Internal	999.999	per ADM	Fourth Month Gross Margin Draw from ADM L Suffic C.
FIFTH MONTH GROSS MARGIN DRAW(i)	Internal	999.999	per ADM	Fifth Month Gross Margin Draw from ADM L Suffic C.
SIXTH MONTH GROSS MARGIN DRAW(i)	Internal	999.999	per ADM	Sixth Month Gross Margin Draw from ADM L Suffic C.
SIMULATED GROSS MARGINS(i)	Internal	9(10).99	dollars and cents	Six month Simulated Gross Margins(i) is the sum of (Gross Margin Draws(i) times Target Marketings by month).
<SIMULATED_LOSSES>	32	9(10).99	dollars and cents	Sum of (MAX (Gross Margin Guarantee minus Simmulated Gross Margins(i)), 0).
<TOTAL_PREMIUM>	33	9(10)	nearest whole dollar	The result of 1.03 times (1/25,000) times Simmulated Losses.
<PRODUCER_PREMIUM>	39	9(10)	nearest whole dollar	Producer Premium equals Total Premium.

**Note: (i) = 1,2,...., 25000**